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RUEHFK/AMCONSUL FUKUOKA PRIORITY 4626
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RUEHKSO/AMCONSUL SAPPORO PRIORITY 5288
RHMFIUU/US CUSTOMS AND BORDER PROTECTION WASHINGTON DC PRIORITY
RHHMUNB/JIATF WEST PRIORITY
RHMFIUU/USFJ PRIORITY
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UNCLAS SECTION 01 OF 03 TOKYO 005364

SIPDIS

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FOR INL - JOHN LYLE

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SUBJECT: JAPAN INCSR PART I

REF: STATE 136782

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I. Summary

11. Japan's efforts to fight drug trafficking comply with international standards; Japan is a party to the 1988 UN Drug Convention. Japan cooperates with other countries in intelligence sharing and law enforcement. Methamphetamine abuse remains the biggest challenge to Japanese antinarcotics efforts, marijuana use is widespread and MDMA (Ecstasy) trafficking has increased significantly. Cocaine use is much less prevalent but still significant. According to Japanese authorities, all illegal drugs consumed in Japan are imported from overseas, usually by Japanese or foreign organized crime syndicates. In spite of legal and bureaucratic obstacles, Japanese law enforcement officials are becoming more proactive in addressing the Japan's illegal drug distribution problem. Japanese Police have conducted several complex drug investigations during 2007, both independently and in cooperation with the U.S. Drug Enforcement Administration (DEA) Tokyo.

II. Status of Country

12. Japan is one of the largest markets for methamphetamine in Asia. A significant source of income for Japanese organized crime syndicates, over 80 percent of all drug arrests in Japan involve methamphetamine. MDMA is also a significant problem in Japan; over 1 million Ecstasy tablets had been seized by police as of November 2007, and officials say that they expect MDMA abuse to increase. Marijuana use has also grown steadily in Japan since 2000. Japanese authorities discovered their first domestic commercial marijuana "indoor grow" operation in 2007. Japan is not a significant producer of narcotics. The Ministry of Health, Labor and Welfare strictly controls some licit cultivation of opium poppies, coca plants, and cannabis for research. According to DEA and the National Police Agency, there is no evidence that methamphetamine or any other synthetic drug is manufactured domestically.

III. Country Actions Against Drugs in 2007

13. Policy Initiatives.

The Headquarters for the Promotion of Measures to Prevent Drug Abuse, which is part of the Prime Minister's Office (Kantei), announced the Five-Year Drug Abuse Prevention Strategy in July 2003. This strategy includes measures to increase cooperation and information sharing among Japanese agencies and between Japanese and foreign law enforcement officials, promotes greater utilization of advanced investigative techniques against organized crime syndicates, and mandates programs to raise awareness about the dangers of drug abuse. The Ministry of Health, Labor and Welfare added 30 more drugs to its list of controlled substances in 2006 with plans to add three more in 2008.

14. Law Enforcement Efforts.

Japanese police are increasingly effective at gathering intelligence and making arrests in spite of legal and operational constraints, but their investigations are largely reactive in nature. Prosecutors do not have the plea-bargaining tools to motivate the assistance of co-defendants and co-conspirators in furthering investigation. Japan also has laws restricting the proactive use of informants, undercover operations, and controlled deliveries using a human courier. When laws and circumstances allow, proactive policing does occur. Although wiretapping remains infrequent, police are increasingly making use of legislation that took effect in 2003 authorizing the use of telephone intercepts. In addition, officials maintained detailed records of Japan-based drug trafficking, organized crime, and international drug trafficking organizations. Japan regularly shares intelligence with foreign counterparts and engages in international drug trafficking investigations.

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15. The supply of methamphetamine appears to be on the rise. The mid-2006 closure of several methamphetamine mega-labs in Indonesia, Malaysia, and the Philippines, combined with tightened security measures in the Sea of Japan, are believed to have been responsible for the spike in methamphetamine prices that lasted until mid-2007. Law enforcement officials believe that Chinese traffickers using supplies from China and Canada have now stepped in to fill the gap. Methamphetamine prices have returned to their May 2006 levels, indicating a significant rebound in supply.

16. After a year of unremarkable interdiction results in 2006, increased efforts by customs officials have produced dramatic results in 2007. In August 2007 Police and Customs Officials seized 688,000 MDMA tablets, 155 kg of methamphetamine, and 280 kg of marijuana from a vessel originating in Vancouver, Canada. In the first half of 2007, police had seized 112 kg of methamphetamine, eight times more than the 14 kg confiscated during the same period in 2006. More than 1 million tablets of MDMA had already been seized by November, five times more than in all of 2006. Marijuana and cannabis resin seizures January - June were 12 kg and 83 kg respectively, approximately the same as the previous year. Cocaine, heroin, and opium seizures remained roughly at their 2006 levels.

17. Corruption.

There were no reported cases of Japanese officials being involved in drug-related corruption in Japan in 2007. The government does not encourage or facilitate the illicit production or distribution of narcotics, psychotropic drugs, controlled substances, or the laundering of proceeds from illegal drug transactions.

18. Agreements and Treaties.

Japan's parliament failed to agree on an anti-conspiracy bill for the fourth consecutive year. As a result, Japan still cannot ratify the UN Convention on Transnational Organized Crime. Japan is a party to the 1988 UN Drug Convention, the

1961 UN Single Convention on Narcotic Drugs, the 1972 Protocol amending the Single Convention, and the 1971 UN Convention on Psychotropic Substances. An extradition treaty is in force between the U.S. and Japan, and a Mutual Legal Assistance Treaty (MLAT) went into effect in August 2006, Japan's first MLAT with any country. The MLAT allows Japan's Ministry of Justice to share information and cooperate directly with the Department of Justice in connection with investigations, prosecutions and other proceedings in criminal matters.

¶9. Cultivation/Production.

Japan is not a significant cultivator or producer of controlled substances. The Ministry of Health, Labor, and Welfare's research cultivation program produces a negligible amount of narcotic substances purely for research purposes.

¶10. Drug Flow/Transit.

Authorities believe that methamphetamine smuggled into Japan originates in the People's Republic of China (PRC), Taiwan, North Korea, Burma, Malaysia, Indonesia, the Philippines, and Canada. Drugs other than methamphetamine often come from the these same source countries, however airport customs officials have made several recent seizures of cocaine transiting from the United States, and authorities confirm that methamphetamine, MDMA, and marijuana are being imported in large quantities from Canada as well. Most of the MDMA in Japan originates in either the Netherlands or China.

¶11. Domestic Programs/Demand Reduction.

Most drug treatment programs are small and are run by private organizations, but the government also supports the rehabilitation of addicts at prefectural (regional) centers. There are a number of government-funded drug awareness campaigns designed to inform the public about the dangers of stimulant use, especially among junior and senior high school students. The Ministry of Health, Labor, and Welfare, along

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with prefectural governments and private organizations, continues to administer national publicity campaigns and to promote drug education programs at the community level.

IV. U.S. Policy Initiatives and Programs

¶12. Policy Initiatives.

The United States will build on the successes of the last year by strengthening law enforcement cooperation related to controlled deliveries and drug-related money-laundering investigations. Other U.S. objectives include encouraging more demand reduction programs; supporting increased use of existing anticrime legislation and advanced investigative tools against drug traffickers; and promoting greater involvement from government agencies responsible for financial transaction oversight.

¶13. The Road Ahead.

DEA Tokyo will continue to work closely with its Japanese counterparts to offer support in conducting investigations on international drug trafficking, money-laundering, and other crimes. DEA will continue to pursue an aggressive education and information-sharing program with Japanese law enforcement agencies to foster knowledge of money laundering investigations, and their relationship to narcotics trafficking and terrorist financing.

¶V. Charts: N/A

VI. Chemical Control

¶14. The Ministry of Health, Labour, and Welfare uses licenses to control every step in the flow of trade in precursor chemicals, including all the substances listed in Table I and Table II of the 1988 UN Drug Convention. In addition, strict control of distribution channels further limits diversion into illicit activities. There are two

companies in Japan that refine ephedrine and pseudoephedrine, chemicals used to treat nasal/breathing problems that are also essential ingredients in methamphetamine. Government regulations specify the type and security of storage facilities as well as inventory, disposal, and accounting requirements. On-site inspection is used to verify compliance with these requirements. Japan made it's first-ever seizure of illicit precursors in October when customs officials intercepted 168 kg of Pseudoephedrine transiting Japan from Hong Kong, bound for Mexico.

SCHIEFFER